

2021 Long-term Outlook Scenarios – December, 2020

2021 Long-term Outlook Stakeholder Feedback



Period of Comment: December 15, 2020 through January 15, 2021	[REDACTED]
Comments From: EDF Renewables Development Inc	[REDACTED]
Date: 2021/01/15	[REDACTED]

Keeping with the mandate of providing safe, reliable and economic operation of the Alberta electricity system while facilitating a fair, efficient and competitive market for electricity, the AESO is developing the 2021 Long-term Outlook (LTO).

Given the challenges faced as a result of the COVID-19 pandemic and the low oil price, feedback provided to the AESO will be an important input into how we forecast Alberta's the near to long-term electricity. The AESO will use scenarios as a means of stress testing various market, technological, consumer behaviour, policy and economic outcomes, to assist stakeholders in understanding potential long-term future outcomes in the Alberta electricity market.

Please fill email your completed questionnaire to forecast@aeso.ca by January 15, 2021.

We value stakeholder input and thank you for sharing your perspective. In alignment with our Stakeholder Engagement Framework (link) all stakeholder submissions, in their original state with personal information redacted, will be published online at www.aeso.ca

Further stakeholder engagement on LTO scenarios and preliminary results can be expected as the AESO makes progress toward the anticipated publication date in Q2 of 2021.

Preliminary results will be based in part from stakeholder feedback received in June 2020.

The AESO thanks you for your time and appreciates your input.

The AESO is seeking comments from Stakeholders with regard to the following matters:

	Questions	Stakeholder Comments
1.	Do the proposed LTO scenarios cover a reasonable range of plausible future outcomes? Which scenario do you think is more likely? Which one is less likely?	<p>The proposed scenarios may not fully cover the reasonable range of options given the recent federal announcement of higher carbon tax from 2022 onwards, reaching \$170/tonne by 2030. While this is not yet implemented, it clearly suggests the potential for a very strong carbon price signal in the Alberta market.</p> <p>Given this reasonable scenario, the Clean-Tech scenario is the most likely. EDF suggests a 'Clean-Tech Plus' scenario should be added that explores a much in-depth transformation of the electricity sector, including high levels of energy storage and other de-carbonization options like carbon capture and hydrogen production.</p>
2.	Does the "Clean-Tech" scenario focus on the appropriate technologies and policies?	The Clean-Tech scenario is reasonable, though it does not appear to contemplate larger penetration of storage. EDF suggests this scenario should include more storage. Further, as noted, the Clean-Tech scenario may no longer go far enough given the potential for much higher carbon prices.
3.	Are there different scenarios that warrant inclusion?	Please see above.
4.	What long-term hydrocarbon demand projections do you think are reasonable for the Robust and Stagnant Global Oil & Gas Demand scenarios?	
5.	Are there additional generation technologies that warrant inclusion in the 2021 Long Term Outlook Scenarios?	

6.	Do you disagree with any of the assumptions in Slide 4 for any of the scenarios? If so, what would you propose?	
7.	The AESO has not yet determined the quantum of change in the scenario variables. Do you agree directionally with the scenario assumptions? Do you have insights regarding the magnitude of scenario changes?	<p>As noted, the Clean-Tech scenario may no longer represent a test of potential upside in de-carbonization.</p> <p>EDF suggests that the AESO should use carbon reduction targets (and the associated supply mix required) for the electricity sector (and Alberta broadly) that align with federal targets for one or more of its scenarios. This suggests material carbon reductions for Alberta, both in electricity and other sectors, that may drive higher load growth for electrification as well as large amounts of renewable generation to support this effort.</p>